

more eligible to sell the state's right to subscribe for the shares reserved for its use, they addressed a letter to the President of the Merchants Bank on the subject, and have received through a committee of Directors, an offer of \$25,000, for a relinquishment of the right to subscribe to the bank.

Your committee have understood that the stock of the bank is considerably above par at this time, the dividends have always been equal to seven per cent per annum; they are therefore induced to believe that as the money market becomes more settled, the stock will improve in value. For these reasons they estimate the value of the State's right to subscribe at \$40,000, at the least, and are unwilling to advise a sale for a less price.

If a sale of the right to subscribe could be effected for \$40,000, your committee would advise a sale thereof, in preference to a subscription, and in conformity with the usage would have that sum applied as received to the ordinary expenses of the Government. The treasurer is the proper officer to be entrusted with the negotiation.— If he should be unable to effect a sale on satisfactory terms, before the fifteenth day of February next, your committee would recommend, that the treasurer be authorized to subscribe for 5000 shares, being the whole number of shares reserved for the State in that bank, and to pay on account thereof, at the time of subscribing, the sum of \$50,000; and out of the monies to be received on the first day of October next, from the general government, the further sum of \$50,000. But as this investment is designed to be temporary, and is recommended chiefly to assure to the State, the value of its privilege to subscribe; your committee further advise that the treasurer shall have the power of selling out the stock subscribed for, whenever the proceeds thereof can be invested in the State's own stocks at the prices before stated. The premium on such sales should be applicable to the payment of the current expenses of the government.

The Committee on Education having been instructed to enquire into the expediency of devoting the monies received from the general government to the purposes of education, your committee of Ways and Means, would ask leave to defer any report in regard to the application of the income to be derived from the investments they have recommended, until the committee on education